



**COMMONWEALTH OF VIRGINIA**  
**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

# Benefits Administrator Memo **#05-05**

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**To:** Benefits Administrators  
**From:** Mary P. Habel, Director  
State and Local Health Benefits Programs  
**CC:** All OHB  
**Date:** April 11, 2005  
**Re:** --Open Enrollment – Retiree Group and Extended Coverage Participants  
--Program Updates and Reminders  
--Updated Extended Coverage General Notice

**Open Enrollment Materials:** Following are links to Open Enrollment materials mailed on April 7, 8 and 11 to non-Medicare-eligible State Retiree Health Benefits Program participants (retirees, survivors, LTD participants), non-Medicare Extended Coverage participants, and waived LTD participants:

- [Retiree Premium Rate Notification Letter/Program Updates](#)
- [Open Forum Newsletter for Retiree Group Participants](#)
- [Extended Coverage Rate Notification Letter/Program Updates](#)
- Letter to LTD Participants in Waive Status (attachment)
- [Updated Retiree Enrollment Form](#)
- [Updated Extended Coverage Enrollment Form](#)

Like active employees, retiree group and Extended Coverage participants will not experience any change in benefits, copayments, coinsurance levels or claims administrators on July 1, and they will get new ID cards reflecting system-generated ID numbers. Properly waived LTD participants have the opportunity to exercise their Open Enrollment rights at this time. Please take a few moments to review these materials for other program news and updates.

Retiree group participants in Medicare-coordinating plans do not have an annual Open Enrollment, so no action is necessary on their part at this time. Their annual premium rate materials and program updates will be distributed in the fall for January 1, 2006, renewal.

**Plan Change Allowed at Initial Retirement/Extended Coverage/VSDP LTD Enrollment:**

Effective July 1 as a result of the new policy that allows a plan change upon the occurrence of a consistent qualifying mid-year event (see [BA Memo #05-04](#)), retiring employees, new Extended Coverage qualified beneficiaries, and new VSDP LTD participants will be allowed to make a plan change at the time of their initial enrollment. Generally, a plan change that would be consistent with these events would be to reduce the coverage (e.g., to eliminate optional benefits).

**Retirements Prior to July 1:** Please keep in mind that, since a distribution list for non-Medicare retiree group members has already been generated based on current information, employees who retire or start LTD after April 1 (or who are keyed after April 1 with a retroactive effective date) but prior to the end of Open Enrollment will not get the attached materials. It is the responsibility of the agency Benefits Administrators to provide retiree-specific Open Enrollment materials to those individuals who enroll in the retiree group during the Open Enrollment period. With the exception of those who will be required to select a Medicare-coordinating plan, plan elections made during Open Enrollment will carry forward to retirement (effective July 1) as long as enrollment in the retiree group is completed within the required enrollment time frame. If an Open Enrollment election is made prior to the keying of the retirement or LTD transaction, see BA Memo #05-04 for instructions regarding "Handling Suspense Records" to ensure that both transactions take place.

**Retiree Fact Sheets:** Fact sheets will be updated and available on the Web by late June to reflect July 1 revisions.

**Benefits Administrators for Retiree Group Participants:** Benefits Administrators for active employees often ask, "Who is the Benefits Administrator for retirees?" The following chart provides guidance:

| <b>Retiree Group Status</b>   | <b>Agency Number</b> | <b>Benefits Administrator</b>                    |
|---|----------------------|--|
| VRS Retirees, Survivors and their covered dependents  | 005                  | VRS  |
| VSDP/LTD Participants and their covered dependents  | 005                  | VRS  |
| Non-Annuitant Survivors   | 006                  | DHRM   |
| Optional Retirement Plan or Local Retirees, their covered dependents and their Survivors (including any university-sponsored disability program participants) | 007                  | The Pre-Retirement Agency Benefits Administrator |

We would encourage Benefits Administrators who do not have retiree group responsibility to refer retiree group participants to their appropriate Benefits Administrator to ask retiree-specific questions and to submit retiree group enrollment forms.

**Medicare Secondary Payer Demand Letters:** As a reminder, if you receive correspondence from either the Centers for Medicare and Medicaid Services (CMS), the U.S. Department of Treasury, Medicare claims administrators, or collection agencies regarding Medicare claims against the state program, please forward them immediately to the Program Manager for Retiree Health Benefits at DHRM, 101 North 14<sup>th</sup> Street, 13th Floor, Richmond 23219. It is very important that these are sent through DHRM for tracking and management. Failure to provide a timely response to these demand letters can result in considerable additional expense to the program.

As a reminder, however, agency Benefits Administrators are responsible for responding to IRS/SSA/CMS Data Match Project requests. The most current instructions for completing those responses are detailed in [BA Memo #04-09](#).

**New Extended Coverage General Notice:** To ensure compliance with the May 2004 final COBRA regulations, an updated General Notice will be sent to all plan participants (active, retired, and Extended Coverage participants) at their address of record during the week of May 9. A separate Benefits Administrator Memo addressing the changes and ongoing administrative requirements will be sent out prior to the mailing.